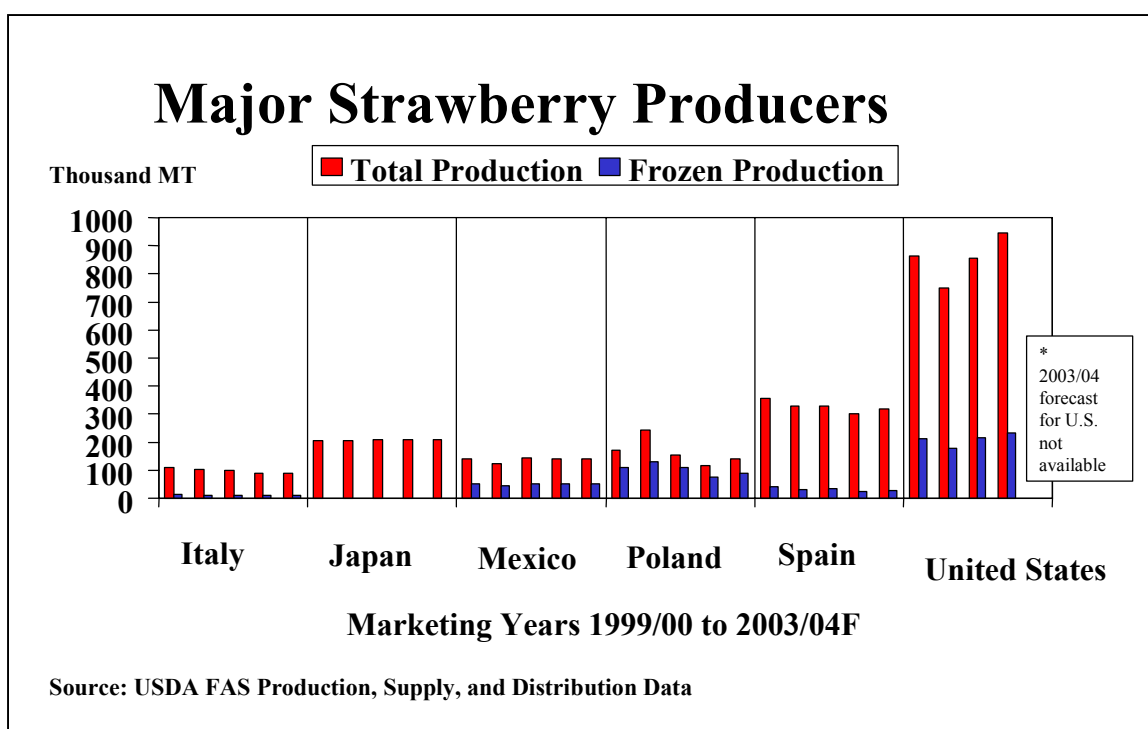


## Strawberry Situation and Outlook in Selected Countries

In marketing year (MY) 2002/03, fresh strawberry production for selected major producers was estimated at 1,800,652 metric tons, an increase of less than one percent over the 2001/02 level. Frozen strawberry production in 2002/03 was down 6 percent at 396,696 tons for the same countries. For 2003/04, production is forecast up slightly for Poland and Spain, while it is forecast to decrease slightly in Italy and Japan. Production for Mexico is forecast not to change that year.

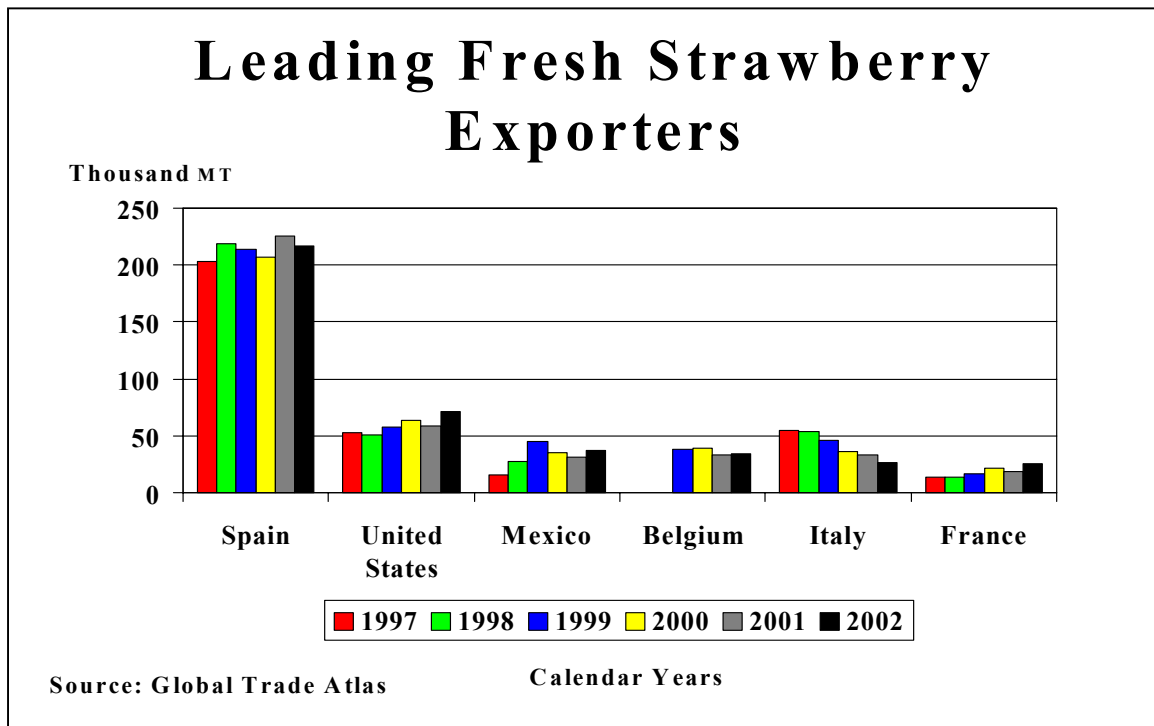
### Global Production and Trade



The United States is the world's leading producer of strawberries for both the fresh and frozen markets. Total production averaged over 800,000 tons from 1996 to 2002 with about 25 percent of that going to the frozen market. Spain is the second largest producing country with most of its production utilized by the fresh market. Poland is the third largest producer overall, but the second leading frozen strawberry producer. Although Japan does produce slightly more than 200,000 tons annually, it consumes almost all of its production in fresh form and imports additional supplies to fulfill its domestic demand.

Spain is the world's leading exporter of fresh strawberries, followed by the United States. The world's top exporter of frozen strawberries is Poland. In recent years, exports of frozen strawberries from Poland have topped 120,000 tons.

## Fresh Strawberries



### **Spain**

Spain is the world's second largest producer of fresh strawberries, behind the United States. The production estimate for 2002/03 (marketing year January 2003-December 2003) totaled 300,000 tons, a decline of 9 percent from the previous year. This drop was primarily due to an unusually wet spring and warmer than normal temperatures in major producing areas that created ideal conditions for mold growth on the fruit. Production for the 2003/04 crop is expected to return to more normal levels and has been forecast at 320,000 tons. Generally, about 95 percent of strawberry production comes from the province of Huelva, in the southern region of Andalusia, while most of the rest comes from the area around the city of Cadiz. The focus of Spain's industry is for the fresh market. Typically, about 10 to 15 percent of production is used for the frozen and processing market.

Spain is the leading exporter of fresh strawberries in the world with exports typically more than twice those of the United States. In calendar year (CY) 2003, Spain exported an estimated 214,250 tons of fresh strawberries. This represents a 1-percent decrease from the 2002 level. Between 1997 and 2001, total exports averaged slightly more than 214,000 tons. Spain's largest export markets are typically Germany, France, the United Kingdom (UK), Belgium-Luxembourg, and Italy.

Spain's imports of fresh strawberries are very small due to its large domestic strawberry supplies. In 2003, imports were an estimated 8,600 MT, a 35-percent increase from 2002. Most of the 2003 imports were later season fruit from France.

## **United States**

Total U.S production of strawberries for 2002/03 (marketing year January 2003-December 2003) is estimated at 944,652 tons, an increase of 10 percent from the 2001/02 crop. Total production averaged 817,938 tons per year between 1996 and 2002. Generally, about 25 percent of the total production is utilized for the frozen and processed strawberry market.

Strawberry production in the United States is highly dependent on the use of methyl bromide as a soil fumigant. However, under the terms of the 1987 Montreal Protocol, developed countries agreed to phase out its use by January 2005. The U.S. strawberry industry has supported efforts to receive approval of "critical use exemptions" for 2005. Currently, delegates of the Montreal Protocol are expected to make a decision in March 2004 on whether the "critical use exemptions" for methyl bromide will be allowed. Research suggests that strawberry producers will sustain average yield losses of 20 to 40 percent without a viable alternative to methyl bromide. Currently, there is no alternative available to strawberry producers with the efficacy of methyl bromide.

The United States is a large exporter of fresh strawberries, second only to Spain. In CY 2002, the United States exported 71,717 tons of fresh strawberries. This marked a 23-percent increase over the 2001 level. From January to November 2003, exports totaled 92,181 tons, an increase of more than 30 percent from the same period in 2002. Total U.S exports averaged 59,000 tons between 1997 and 2001. The leading export markets for fresh strawberries are Canada, Mexico, and Japan. In CY 2002, these three countries imported over 91 percent of the United States fresh strawberry exports.

In CY 2002, the United States was the fourth largest importer of fresh strawberries, bringing in 40,777 tons, an increase of 27 percent from CY 2001. January to November 2003 imports totaled 39,235 tons, virtually unchanged from the same period in 2002. The predominant supplier of fresh strawberries is Mexico, which typically supplies more than 95 percent of U.S. imports.

## **U.S. International Marketing Activities**

For the 2003/04 marketing year, the California Strawberry Commission (CSC) is carrying out Market Access Program (MAP) activities for fresh and frozen strawberries in Mexico, Canada, Japan, and Hong Kong. The CSC was granted a total of \$688,486 in MAP funding to carry out its projects in those markets. The CSC's main goal in international markets is to expand trade and consumer use of California strawberries. It

seeks to differentiate California strawberries through several messages to consumers such as origin, safety, health attributes, and new uses, while the focus for the trade is on improving handling practices and communicating the advantages of California strawberries over the competition's product.

## **Italy**

Strawberry production in Italy has declined steadily over the past several years, mainly due to high labor costs and international competition. Production in 2003 is estimated at 90,000 tons, unchanged from the previous year, but down from the higher levels reached in years past. The crop faced unusually high temperatures during both May and June that adversely affected the crop, contributing to the lower than normal production.

In CY 2002, Italy was the fifth largest fresh strawberry exporter in the world, exporting a total of 26,201 tons. Exports are expected to fall slightly in 2003 to 22,500 tons, mainly due to the strong competition from Spain and other foreign producers. Italy's top export markets are typically Germany, Switzerland, Austria, Denmark, Sweden, and the UK.

In 2003, fresh strawberry imports in Italy rose to an estimated 24,000 tons, up from the 23,173 tons in 2002. Imports of fresh strawberries are expected to increase for the next two years to offset the anticipated lower production levels.

## **Mexico**

Strawberry production for 2003/04 (marketing year August 2003-July 2004) is forecast at 140,000 tons, unchanged from the estimated production level in 2002/03. However, there has been a trend in many producing areas, most notably Guanajuato, to decrease planted areas due to lower prices, lack of credit, and increases in cost of production. Over 90 percent of Mexico's strawberries are produced in the states of Michoacan, Guanajuato, and Baja California. Michoacan is the most important growing region for the winter crop, and is the first to reach the market. The Guanajuato crop, which is more important for the summer crop, typically reaches market two months later. As such, Guanajuato growers do not receive the higher prices realized by Michoacan producers and have been decreasing planted area of strawberries to diversify into less risky crops.

In CY 2002, Mexico was the third largest fresh strawberry exporter in the world, in terms of volume. January to November 2003 exports totaled 41,901 tons, an 11-percent increase from the same period in 2002. Mexico's top export market is the United States. Typically, about 97 to 99 percent of Mexico's exports of fresh strawberries go to the United States. The remainder are shipped by air to Japan and Europe.

Imports of fresh strawberries have increased slowly in recent years. Imports from the United States have grown since NAFTA took effect in 1994 and eliminated the 20-percent duty. In CY 2002, Mexico imported 13,745 tons from the United States. January

to November 2003 imports totaled 11,782 tons, a decrease of 14 percent from the same period a year earlier, attributed mainly to the strengthening of the U.S. dollar compared to the Mexican peso, which led to higher prices.

## **Poland**

Strawberry production in 2002/03 (marketing year January 2003-December 2003) was the lowest in 20 years, totaling 117,000 tons, due to highly unfavorable weather conditions in both the winter and spring. Repeated frost without the protection of snow cover during the winter of 2002 is reported to have destroyed nearly 15 percent of the planted area. Furthermore, drought conditions in spring 2003 exacerbated yield losses. The tight supplies pushed prices to their highest level in 10 years. Although area planted in strawberries for the 2002/03 crop was the smallest in almost eight years, the higher prices enticed producers to increase planted area in the fall of 2003 for the 2003/04 crop. Area planted could reach 50,000 hectares, smaller than the 10-year average of 57,000 hectares. Production for 2003/04 is forecast at 140,000 tons due to the increases in planted area. Generally, about 30 to 40 percent of Poland's strawberry crop is utilized for fresh strawberry production. The remaining crop is used primarily for the production of frozen or processed strawberries.

Exports of fresh strawberries in CY 2002 totaled 16,855 tons. January to October 2003 exports totaled 13,604 tons, a 19-percent decrease from the same period a year earlier. Poland's main regional market for exports is the European Union. Germany is the single largest country market, typically consuming around 40 percent of total exports.

Generally, Poland imports very small quantities of fresh strawberries. In CY 2002, imports totaled 1,253 tons. From January to October 2003, imports decreased by 20 percent from the same period a year earlier, totaling 982 tons.

## **Japan**

Japan consumes nearly 100 percent of its strawberry production and imports modest amounts to meet in consumer demand. In 2002/03 (marketing year October 2002-September 2003), production is estimated at 209,000 tons, less than a 1-percent decrease from 2001/02. The 2003/04 crop has been forecast at 208,000 tons. Most of Japan's strawberries are produced in hothouses, with production from November through April.

Japan usually exports very small quantities of strawberries as almost all production is consumed domestically. However, in 2002/03 Japan exported 10 tons of fresh strawberries, compared to the 3 tons in 2001/02. Exports are generally between 4 and 5 tons per year. Almost all exports of fresh strawberries are sent to Hong Kong.

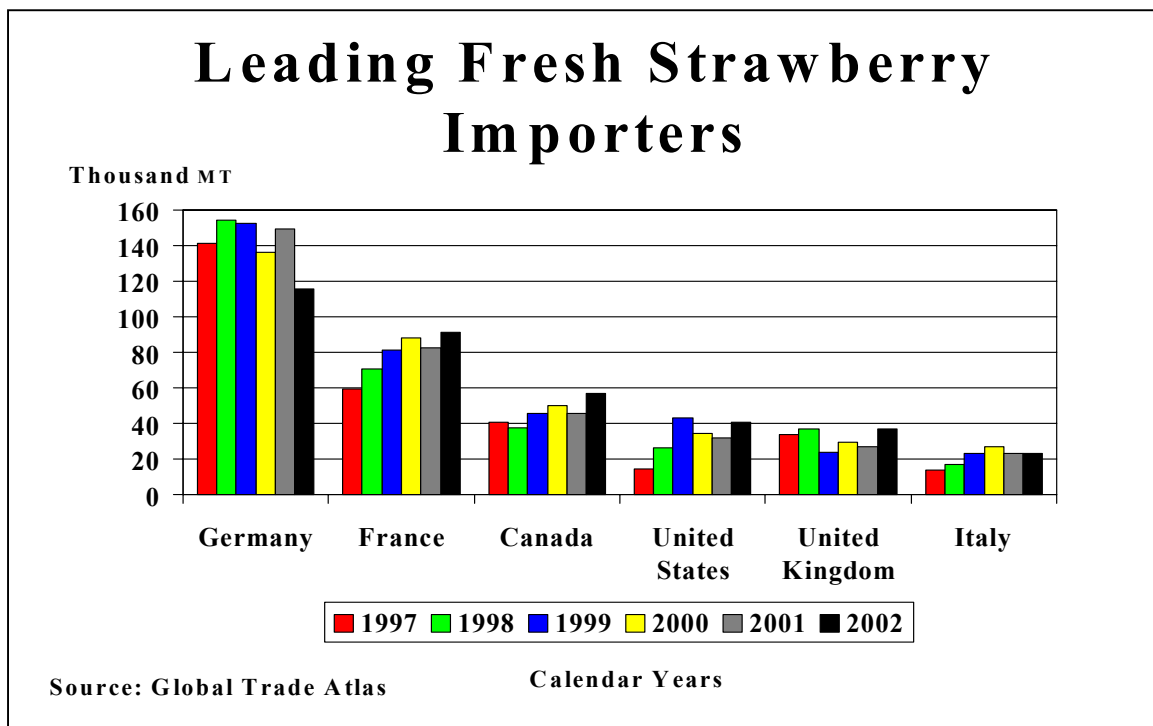
In 2002/03, imports totaled 4,387 tons, a drop of 10 percent from the previous year. Imports for 2003/04 have been forecast at 4,600 tons. Typically, the United States supplies around 70 to 90 percent of Japan's fresh strawberry imports.

## Canada

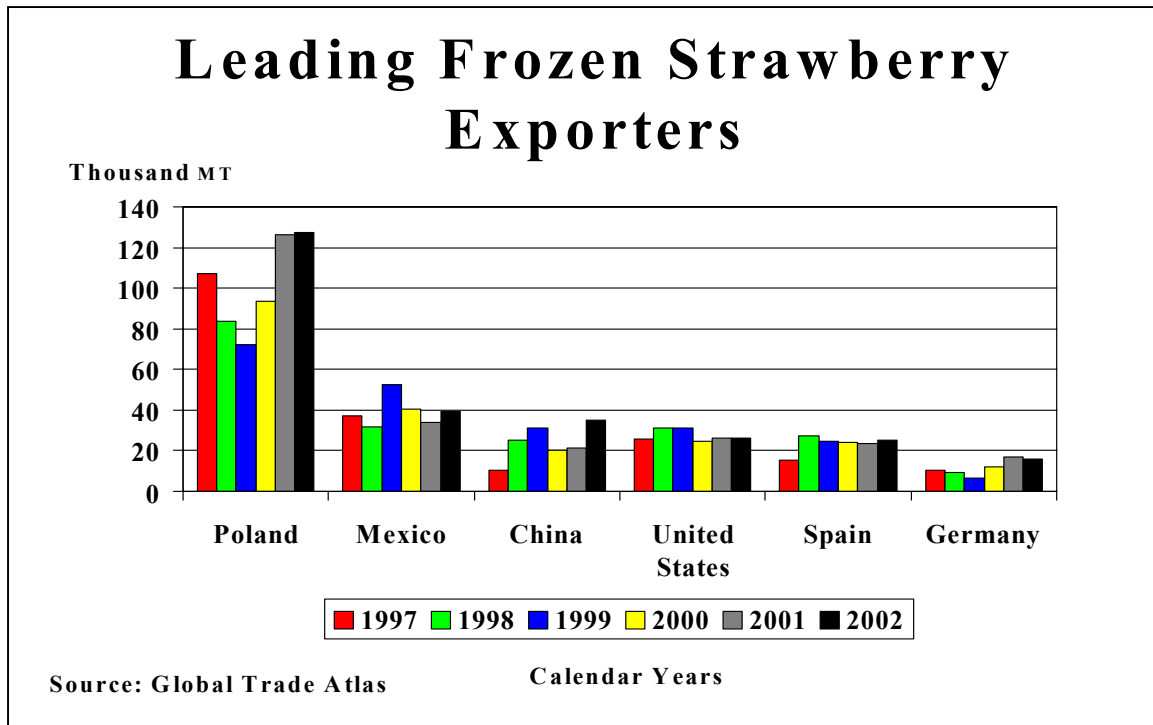
In recent years, production of fresh strawberries in Canada has declined due to decreases in bearing area. For 2003, bearing area fell by 15 percent to 4,000 hectares. Although yields were higher, the increases were insufficient to offset the decreased bearing area and production is forecast to fall to 22,500 tons. Fresh strawberry production averaged almost 27,000 tons from 1997 to 2001. In 2002, production totaled 25,068 tons.

Canada's exports of fresh strawberries are very small, totaling 401 tons in CY 2002. Typically, almost all Canada's international sales are shipped to the United States.

Canada is a major importer of fresh strawberries. In CY 2002, it was the third largest importer in the world, bringing in 56,585 tons. CY 2001 imports totaled 45,523 tons. From January to November 2003, imports totaled 58,136 tons, an increase of 5 percent from the same period in 2002. Typically, Canada purchases over 95 percent of its total imports from the United States, with most of the remainder coming from Mexico and New Zealand.



## **Frozen Strawberries**



### **Poland**

The majority of Poland's strawberry crop is utilized for frozen production. In 2002/03, 80,000 tons of fresh strawberries were delivered to processors, from which 77,000 tons of frozen strawberries were produced. Poland exported over 127,318 tons of frozen strawberries in CY 2002, making it the top exporter of frozen strawberries in the world. Poland's top export markets were Germany, the Netherlands, France, Denmark, and Sweden. Collectively, these five markets comprised 73 percent of Poland's international frozen strawberry shipments.

Poland's imports of frozen strawberries in CY 2002 were relatively small, totaling 1,575 tons. January to October 2003 imports totaled 2,338 tons, a 62-percent increase over the same period in 2002.

### **United States**

Typically, around 25 percent of the U.S. strawberry crop is used for frozen and processed production. In 2003, frozen strawberry production reached 232,466 tons, an increase of 7 percent from the 2002 level.

The United States is one of the leading frozen strawberry exporters in the world. In CY 2002 it was the fourth largest, trailing only Poland, Mexico, and China. In CY 2002, the United States exported approximately 26,323 tons of frozen strawberries. Between 1997 and 2002, its total frozen strawberry exports averaged 27,673 tons. From January to November 2003, however, exports were down more than 56 percent from the same period in 2002, totaling only 10,631 tons. This decline was mainly due to a lower Northwest crop, which diverted strawberries from exports to stabilize supplies. Canada, Japan, and Australia are the leading destinations for frozen strawberry exports, comprising 92 percent of U.S. frozen strawberry exports in CY 2002.

In CY 2002, the United States was the second largest importer of frozen strawberries, bringing in 52,486 tons from foreign sources. This total represents a 45-percent increase from the previous year. January to November 2003 imports totaled more than 53,000 tons, an 8-percent increase from the same period in 2002. In CY 2002, Mexico, Poland, Chile, and Ecuador supplied almost 90 percent of U.S. frozen strawberry imports.

## **Mexico**

Production of frozen strawberries in 2003/04 is forecast at 51,200 tons, unchanged from production during the prior year. Demand has been increasing and production of frozen strawberries could increase if more diversion from the fresh market occurs due to rising international prices. However, fresh market production has been declining and diversion of fresh strawberries to the frozen market is likely to occur only if international prices remain attractive.

Mexico was the second largest frozen-strawberry exporter in the world in CY 2002, after Poland. In that year, Mexico exported approximately 39,534 tons of frozen strawberries, a 17-percent increase over CY 2001 exports. January to November 2003 exports totaled 44,079 tons, an increase of 12 percent from the same period a year earlier. Its top markets are typically the United States, Japan, Canada, and Australia. The United States usually consumes over 90 percent of Mexico's exports of frozen strawberries.

Imports of frozen strawberries are typically quite small. Although imports are not significant relative to the total Mexican processed strawberry market, in CY 2002 imports reached 1,623 tons, a 295-percent increase over the 2001 total. This increase is mainly attributed to higher domestic demand. The United States supplies the majority of Mexico's frozen strawberry imports. In 2002, 67 percent of imports were supplied by the United States.

## **Spain**

On average, about 15 percent of Spain's strawberry crop is used for frozen and processed production. In 2003/04, production is forecast at 28,500 tons, a 14-percent increase over the 2002/03 crop. However, production is still below the 1997-2001 average of nearly 35,000 tons. Imports will likely rise to help fill the production shortfall.

Spain is typically the fifth largest frozen strawberry exporter in the world. It exported 25,270 tons in CY 2002. January to October 2003 exports were up by more than 25 percent from the same period a year earlier, reaching 29,824 tons. Almost all of Spain's frozen strawberry exports are destined for the European market, with the Netherlands, France, Germany, and Belgium the top importers.

In CY 2002, Spain's imports of frozen strawberries totaled an estimated 11,270 tons, an increase of 53 percent from the CY 2001 level. January to October 2003 imports continued the upward trend, increasing by more than 15 percent from the same period in 2002, reaching 12,901 tons. The main suppliers of frozen strawberries to Spain are typically Morocco, France, and Belgium. Morocco usually supplies over 90 percent of Spain's total imports.

## **Japan**

Typically, about 1 percent of Japan's strawberry crop is used for frozen and processed production. Frozen strawberry production is forecast at 1,000 tons for 2003/04, slightly less than the 1,030 tons estimated for 2002/03. Exports of frozen strawberries from Japan are negligible. No exports were reported for CY 2002 or 2003.

In CY 2002, Japan imported more than 28,800 tons of frozen strawberries. In 2003, the total reached 29,418 tons. The largest suppliers are China and the United States. Before 2001, the United States was the leading supplier, but has since been surpassed by China. This trend is mainly due to the large price differential between U.S. and China frozen strawberries. Chinese frozen strawberries are roughly half the price of U.S. product, which is eroding the market share for U.S. producers. In 2003, China supplied 56 percent of Japan's total frozen strawberry imports, compared to the 46 percent supplied in 2002. Japan imposes import duties of 9.6 percent on frozen strawberries with added sugar, and 12 percent for frozen strawberries without added sugar.

## **Italy**

Typically, around 10 percent of Italy's strawberry crop is used for frozen and processed production. The 2003/04 production forecast for frozen strawberries is set at 9,000 tons, down 10 percent from the previous year.

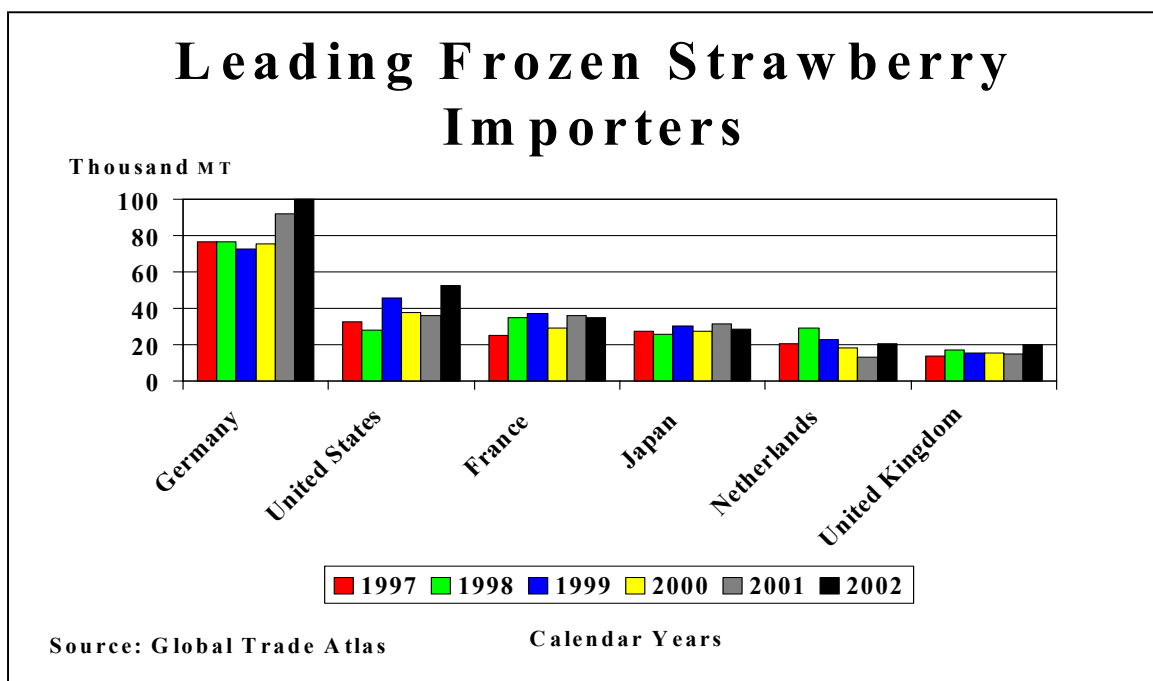
In CY 2002, Italy was the twelfth largest frozen strawberry exporter in the world. In that year it exported 2,345 tons, up from the 1,687 tons exported in 2001. January to September 2003 exports totaled 1,218 tons, a decrease of 42 percent from the same period in 2002. In 2002, the leading export markets were France, the United States, and Germany. Collectively, these three markets purchased over 92 percent of Italy's frozen strawberry exports.

In CY 2002, Italy's imports of frozen strawberries totaled 8,404 tons, an increase of almost 4 percent over the 2001 total. January to September 2003 imports, however, increased 48 percent from the same period a year earlier to reach 10,821 tons. In 2002, Spain, Germany, and Poland were Italy's three largest suppliers. Together, they supplied nearly 75 percent of Italy's imports of frozen strawberries.

## Canada

Production of frozen strawberries in Canada is negligible. For 2003, production was estimated at 2,700 tons and is forecast the same for 2004. Due to Canada's low production levels, exports of frozen strawberries are also very small. In CY 2002, exports totaled just 400 tons. January to November 2003 exports were only 276 tons.

Canada is a major importer of frozen strawberries. In CY 2002, it ranked third behind only Germany and France in terms of volume imported. In CY 2002, imports totaled 56,585 tons, an increase of 24 percent from the 2001 level. January to November 2003 imports totaled 58,136 tons, an increase of 5 percent over the same period in 2002. Generally, Canada purchases more than 96 percent of its frozen strawberry imports from the United States.



*(The FAS Attaché Report search engine contains reports on Fresh Strawberry industries for 6 countries, including Italy, Japan, Mexico, Poland, Spain, and the United States. For information on production and trade, contact Dwight Wilder at 202 690-2702 or visit the strawberry commodity page at <http://www.fas.usda.gov/http/horticulture/strawberry.html> For information on marketing contact Kristin Kezar at 202-690-0556).*